File
ESD

R

SECRET

September 14, 1949

MEMORANDUM

To: FE - Mr. Merchant
Mr. Freeman

Subject: ESD (CANTEL 1069 Sept. 4 and TELCAN 658 Sept. 8)

CIA maintains that they have completely re-formed the former ESD unit under Willoughby and SCAP; that they have one Army officer, Dowd, as a liaison officer on Badger's staff, headquartered aboard ship with the 7th Task Force. Dowd is under no instructions from CIA or SCAP to do other than a liaison job with the Task Force, and the most they expect from him in the assignment on their own work is to pass information which may come to him which would be of value to them.

According to CIA, Dowd, in this present circumstance, may be considered as any other staff officer on Badger's staff. He is acting only on the instructions of the Task Force Commander and in no way for CIA. CIA believes that the question of channels to President Li is a matter between the Department and Navy and that Dowd's position as a liaison officer from the former ESD unit is not pertinent.

I do not see how we can object to CIA having a liaison with the 7th Task Force and am inclined to accept their categoric statement that his actions are not connected with CIA activity.* The issue really lies between Department and Navy and the conversations authorized may clarify the matter.

CIA is ready to discuss more fully if we want.

For whatever use it may be, I attach a single copy of a rough draft of a possible telegram to supplement TELCAN 658.

Fisher Howe
Deputy

Attachment

Draft Telegram
to Canton.

SECRET

* I would urge however that we get CIA to confine Dowd's activities for Badger to the "proximity" of the Fleet. FH.

D R A F T

SECRET

AMCONSUL

CANTON, CHINA

TELCAN _____

ESD unit abolished and personnel and functions (CANTEL 1069 SEPT 4, TELCAN 658 SEPT 8) trans~~formed~~ to SCAP with HDQRS Okinawa. DOWD ~~on~~ staff 7th Task Force ~~as~~ liaison only. Parent ORG affirms no INSTRS to Dowd for other than liaison functions. Apparently DOWD connection with LI entirely 7th Task Force matter. Pl~~ease~~ rep~~ort~~ per TELCAN 658 results conversation Berkey.

ACHESON

R:FH:mvm

Sept. 13, 1949

S E C R E T